

<i>SERFF Tracking Number:</i>	<i>UNUM-126718658</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Unum Life Insurance Company of America</i>	<i>State Tracking Number:</i>	<i>46199</i>
<i>Company Tracking Number:</i>	<i>MK-2618 (6-10)</i>		
<i>TOI:</i>	<i>LTC03G Group Long Term Care</i>	<i>Sub-TOI:</i>	<i>LTC03G.001 Qualified</i>
<i>Product Name:</i>	<i>Group Long Term Care</i>		
<i>Project Name/Number:</i>	<i>/</i>		

## Filing at a Glance

Company: Unum Life Insurance Company of America

Product Name: Group Long Term Care

SERFF Tr Num: UNUM-126718658 State: Arkansas

TOI: LTC03G Group Long Term Care

SERFF Status: Closed-Approved State Tr Num: 46199

Sub-TOI: LTC03G.001 Qualified

Co Tr Num: MK-2618 (6-10)

State Status: Closed

Filing Type: Advertisement

Reviewer(s): Marie Bennett, Harris Shearer

Authors: Jay Burt, Stephanie Coffin, Disposition Date: 07/28/2010

Jason Sirois, Shawna Weitz

Date Submitted: 07/13/2010

Disposition Status: Approved

Implementation Date Requested:

Implementation Date:

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile: Pending

Project Number:

Date Approved in Domicile:

Requested Filing Mode:

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Group

Submission Type: New Submission

Group Market Size: Small and Large

Overall Rate Impact:

Group Market Type: Employer

Filing Status Changed: 07/28/2010

Explanation for Other Group Market Type:

State Status Changed: 07/28/2010

Deemer Date:

Created By: Jay Burt

Submitted By: Shawna Weitz

Corresponding Filing Tracking Number:

Filing Description:

The enclosed Group Long Term Care Employer Flyer is an Invitation to Inquire and is being submitted for your review and approval. This form is intended for presentation and description of the Community Living Assistance Services and Supports (CLASS) Act and Unum's Group Long Term Care to Employer Group Benefit Professionals.

MK-2618 (6-10) is designed to be used with Unum's Group Long Term Care products, GLTC04 and RGLTC04, marketed by Unum's subsidiary Unum Life Insurance Company of America. Policy forms GLTC04 and RGLTC04 were approved by your department on June 1, 2004.

Should revisions be made to this material, we will refile for approval with your department.

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Thank you for your attention to this filing. If you should have any questions, please feel free to write or contact me at 1-800-974-2266 X52631, via fax at 423-287-8593 or email [sweitz@unum.com](mailto:sweitz@unum.com).

Sincerely,

Shawna Weitz  
Contract Analyst  
Contract Compliance & Filing

## Company and Contact

### Filing Contact Information

Shawna Weitz, Contract Analyst	<a href="mailto:sweitz@unum.com">sweitz@unum.com</a>
2211 Congress Street, C4556	207-575-2631 [Phone]
Portland, ME 04122	

### Filing Company Information

Unum Life Insurance Company of America	CoCode: 62235	State of Domicile: Maine
2211 Congress Street	Group Code: 416	Company Type: L&H
Portland, ME 04122	Group Name:	State ID Number:
(207) 575-2211 ext. [Phone]	FEIN Number: 01-0278678	

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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Unum Life Insurance Company of America	\$50.00	07/13/2010	37933381

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Marie Bennett	07/28/2010	07/28/2010

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## Disposition

Disposition Date: 07/28/2010

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

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<b>Schedule</b>	<b>Schedule Item</b>	<b>Schedule Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Filing Letter		Yes
<b>Form</b>	The Class Act		Yes

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## Form Schedule

Lead Form Number: MK-2618 (6-10)

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	MK-2618 (6-10)	Advertising The Class Act	Initial			MK-2618 (6-10).pdf



# The CLASS Act

## Health care reform and the need for long term care benefits



### CLASS Act Key points

- CLASS Act raises visibility for LTC; the need for private coverage remains
- May not be sufficient to fund assisted living or nursing home care, or home care
- Designed to help working Americans, including the working disabled who may find it difficult to get LTC coverage in the private market
- Five-year vesting period before benefits can be paid
- Only for working people — no family coverage
- Program's financial viability in question by some experts<sup>1</sup>

### Benefits eligibility based on loss of at least two Activities of Daily Living (ADLs):

- Bathing
- Transferring
- Dressing
- Continence
- Toileting
- Eating

### Cognitive impairment can include:

- Traumatic brain injury
- Alzheimer's disease
- Multiple sclerosis

The Community Living Assistance Services and Supports (CLASS) Act was signed into law as part of the Patient Protection and Affordable Care Act. It has sparked national awareness about the need for long term care coverage, but many people are confused by this complex legislation.

To help you respond to employee questions and better evaluate your workforce need for coverage, Unum has compiled answers to some of the most pressing questions.

### What exactly is the CLASS Act?

The Act is a government-sponsored long term care plan that offers a basic level of guaranteed coverage to working Americans. It works more like a "pay ahead" entitlement program — such as Social Security — rather than an insurance plan, and is primarily designed to be helpful to low-wage workers.

### What are the basic provisions of the plan?

Many of the details are still under development. As it stands now, the plan:

- Can be offered by employers, but it is not mandatory that they do so
- Could allow employers to automatically enroll all "actively at work" employees or offer it on a voluntary basis
- Premiums would be paid through payroll deduction except for:
  - Self-employed individuals
  - Employees who want coverage but their employers do not offer the plan
- Has a mandatory five-year vesting period before any benefits can be paid
- Has no set premium yet. Estimates run from the mid \$100s to mid \$200s per month, but as low as \$5 for full-time students up to age 22 and the working poor.
- Will pay a modest daily benefit of at least \$50 to covered individuals if they experience either of these conditions:
  - Lose at least two activities of daily living (ADLs), or three as determined by Health and Human Services
  - Have significant cognitive impairment (such as Alzheimer's disease)
- May pay up to \$75 a day or more<sup>2</sup> based on the level of ADL loss
- Allows employees to enroll in or pull out of the program only during specific enrollment periods
- Includes a benefit that will be payable for life if the individual remains ADL disabled
- Has a benefit that will be adjusted for inflation using the urban consumer price index (CPU)

## Will some employees still need private long term care insurance?

While some low-wage workers will likely benefit most from CLASS Act coverage, and those who are independently wealthy can self-fund LTC care, many employees will need a private LTC plan to meet the high cost of this care.

† Home care average is based on five hours of care per day, seven days per week.

### An important note

The CLASS Act is **not** disability coverage. Since there is no income replacement component, disability will continue to be an important employee benefit.

### Cost of care<sup>3</sup>

Type of care	Estimated annual cost of care:	\$50 daily CLASS benefit could fund:
Home care†	\$35,635	51% of cost
Assisted living facility	\$41,485	44% of cost
Nursing home (semi-private)	\$72,500	25% of cost
Nursing home (private facility)	\$81,400	22% of cost

### There are many other compelling reasons why today's workers need private long term care coverage:

- The CLASS Act plan won't pay a benefit until someone has paid premiums for five years. An individual who becomes ADL disabled within the first five years of coverage may have difficulty affording the premium while paying for care prior to qualifying for benefits. The most common private insurance plans do not have a vesting period but use an elimination period of 90 days before benefits can be paid.
- The CLASS Act does not provide coverage for any family members. Employees with private LTC plans can usually purchase coverage for relatives.
- Only private plans can customize coverage to meet employees' specific needs.
- Experts question the national LTC program's financial viability and whether participation levels and the "healthiness" of the pool will provide enough premium to fund claims.<sup>4</sup> Private plans rely on medical underwriting, limited guarantee issue and strict participation/enrollment requirements to protect financial viability.

### Why count on Unum for private coverage?

**Experience** — Unum has 20+ years experience providing long term care insurance.

**Financial strength** — Unum stands strong as a company committed to responsible capital management. As a result, we have the financial resources necessary to back our benefits and support the needs of your customers' employees at claim time.<sup>5</sup>

**Market strength** — Unum is the provider of choice for 77% of U.S. employers who offer Group LTC coverage.<sup>6</sup>

**Richer benefits** — Unum benefit levels can help offset more of the cost of assisted living or nursing home care.

**Shorter time until benefits are payable** — with Unum's LTC insurance, once an employee is insured and suffers a qualifying loss, that claim is valid. Unum's LTC insurance requires an elimination period, most commonly 90 days, while the CLASS Act requires a five year vesting period.

**Family members can get coverage** — Options are available for employees to purchase coverage for spouses, parents and other relatives.

**NOTE** To learn more, contact your Unum representative.

Unless otherwise cited, all statistics from Unum's CLASS Act thought leadership brochure, April 2010.

<sup>1,4</sup> National Underwriter, CMS Actuary: CLASS Act Would Not Work." by Arthur Postal, November 17, 2009.

<sup>2</sup> According to market estimates. There will be at least 2 but no more than 6 benefit levels with only the low end benefit amount being established at the current time.

<sup>3</sup> Survey based on Unum internal research. "Unum long term care cost survey 2008," Telephone survey of one-thousand nursing home facilities, assisted living facilities and home care agencies located in the United States. June through August 2009.

<sup>5</sup> Financial resources are attributable to the insuring subsidiaries of Unum.

<sup>6</sup> LIMRA International, "U.S. Group Long-Term Care Insurance: 2008 Annual Review," 2009.

This information is not intended to be a complete description of the individual and group long term care policies. Some coverage options may not be available in all states. These policies have exclusions and limitations that may affect benefits payable. For costs and complete details of coverage, refer to Policy Series GLTC04, RGLTC04; in NY refer to Policy Series GLTC04, RGLTC04 or call your Unum or First Unum representative.

Underwritten by Unum Life Insurance Company of America.

In NY, underwritten by First Unum Life Insurance Company

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## Supporting Document Schedules

	Item Status:	Status
		Date:
<b>Satisfied - Item:</b>	Filing Letter	
<b>Comments:</b>		
<b>Attachment:</b>		
Filing Letter MK-2618 (6-10).pdf		



2211 Congress Street  
Portland, ME 04122  
207 575 2211  
[www.unum.com](http://www.unum.com)

July 13, 2010

JAY BRADFORD  
COMMISSIONER OF INSURANCE  
STATE OF ARKANSAS  
DEPARTMENT OF INSURANCE  
1200 WEST 3<sup>RD</sup> STREET  
LITTLE ROCK AR 72201-1904

**Re: Unum Life Insurance Company of America, NAIC #565-62235  
FEIN # 01-0278678 License #7700440  
Group Long Term Care Advertising  
Form Number: MK-2618 (6-10) GLTC Employer Flyer**

Dear Mr. Bradford:

The enclosed Group Long Term Care Employer Flyer is an Invitation to Inquire and is being submitted for your review and approval. This form is intended for presentation and description of the Community Living Assistance Services and Supports (CLASS) Act and Unum's Group Long Term Care to Employer Group Benefit Professionals.

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Should revisions be made to this material, we will refile for approval with your department.

Thank you for your attention to this filing. If you should have any questions, please feel free to write or contact me at 1-800-974-2266 X52631, via fax at 423-287-8593 or email [sweitz@unum.com](mailto:sweitz@unum.com).

Sincerely,

A handwritten signature in cursive script, appearing to read "Shawna Weitz", written in dark ink.

Shawna Weitz  
Contract Analyst  
Contract Compliance & Filing